

FILED

JAN 10 2017

Clerk, U.S. District Court
District Of Montana
Helena

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA
BUTTE DIVISION

In re:

YELLOWSTONE MOUNTAIN
CLUB, LLC, *et al*,

Debtors.

BRIAN A. GLASSER, AS TRUSTEE
OF THE YELLOWSTONE CLUB
LIQUIDATING TRUST,

Plaintiff,

vs.

DESERT RANCH LLLP, a Nevada
limited liability limited partnership;
DESERT RANCH MANAGEMENT
LLC, a Nevada limited liability
company; TIMOTHY BLIXSETH, an
individual; BEAU BLIXSETH, an
individual; THORNTON BYRON
LLP, an Idaho limited liability
partnership; GEORGE MACK, an
individual; JOHN DOES 1-100; and
XYZ CORPS. 1-100,

Defendants.

CV 15-40-BU-SEH

Bankruptcy No. 08-61570-11

Adversary No. 10-00015

ORDER

This Adversary Proceeding was filed in the United States Bankruptcy Court for the District of Montana on February 19, 2010, and “referred to the United States District Court for District of Montana for trial by jury in accordance with Defendant George Mack’s demand for jury trial,”¹ on July 29, 2015.

On April 29, 2016, the Court received notice of filing of Chapter 7 proceedings in bankruptcy by Desert Ranch LLLP. On the same day, the Court issued its Order staying “[a]ll proceedings in this case . . . pending resolution of Desert Ranch LLLP’s bankruptcy, 11 U.S.C. § 362.”²

On May 23, 2016, the Trust’s claims against Defendant George Mack were dismissed with prejudice.³

On May 27, 2016, Plaintiff Brian A. Glasser, as Trustee of the Yellowstone Club Liquidating Trust (the “Trust”), filed a Motion for Leave to File Motion for Order Directing Timothy L. Blixseth and Jessica F. Blixseth to Show Cause why They Should not be Held in Contempt of Court⁴ and a Motion for an Order Severing and Directing Trial of Claims Against Thornton Byron LLP in Count II

¹ Doc. 1 at 2.

² Doc. 48 at 1.

³ Doc. 77.

⁴ Doc. 90.

of the Complaint.⁵

On June 9, 2016, the Court received notice of filing of Chapter 7 proceedings in bankruptcy by Desert Ranch Management LLC.⁶

Proceedings in bankruptcy by Desert Ranch LLLP and Desert Ranch Management LLC remain pending.

On June 13, 2016, the Trust filed Plaintiff's Motion for an Order Severing Claims Against Defendants Desert Ranch LLLP and Desert Ranch Management, LLC.⁷

On October 20, 2016, the Trust obtained a \$9.4 million jury verdict and judgment against Jessica Blixseth, now known as Jessica Elizabeth Ferguson, JTB, LLC, and the marital community of Jessica and Timothy Blixseth with respect to the transfers of Western Air & Water LLC and Kawish LLC to JTB, LLC and/or Jessica Blixseth.⁸ That judgment has been settled and the Trust has agreed "to release Ms. Blixseth (and JTB and the marital estate) from all claims against her, including the claims the Trust sought to bring in connection with its motion for

⁵ Doc. 88.

⁶ Doc. 95.

⁷ Doc. 97.

⁸ See Doc. 103 at 3; see also *Glasser v. Blixseth*, No. 2:14-cv-01576-RAJ (W.D. Wash., Oct. 20, 2016), ECF No. 292.

leave and the related motion for an order to show cause.”⁹

On December 20, 2016, the Trust moved “for entry of an order withdrawing its motion for leave to file a motion for an order directing Timothy L. Blixseth and Jessica E. Ferguson, formerly known as Jessica Blixseth, to show cause why they should not be held in contempt of court [Docs 90 & 91].”¹⁰ Counsel for Jessica E. Ferguson, formerly known as Jessica Blixseth, and Thornton Byron LLP consented to the request.¹¹ The remaining Defendants, Desert Ranch, LLLP, Desert Ranch Management, LLC, Timothy Blixseth, and Beau Blixseth, did not respond to the Trust’s L.R. 7.1 request.

ORDERED:

1. This Court’s stay order of April 29, 2016, is lifted for the sole purpose of granting the Trust’s pending Motion for an Order Withdrawing Motion for Leave to File Motion for Order to Show Cause why Timothy L. Blixseth and Jessica E. Ferguson (Blixseth) Should not be Held in Contempt of Court.¹²
2. The Motion for Leave to File Motion for Order Directing Timothy L.

⁹ Doc. 103 at 3-4.

¹⁰ Doc. 103 at 2.

¹¹ Doc. 103 at 4.

¹² Doc. 103.

Blixseth and Jessica F. Blixseth to Show Cause why They Should not be Held in Contempt of Court¹³ is WITHDRAWN.

FURTHER ORDERED:

1. The Court will take up and consider the Trust's Motion for an Order Severing and Directing Trial of Claims Against Thornton Byron LLP in Count II of the Complaint¹⁴ and Plaintiff's Motion for an Order Severing Claims Against Defendants Desert Ranch LLLP and Desert Ranch Management, LLC¹⁵ by separate proceedings to be set, if appropriate, by further order of Court to be entered following lifting of the automatic stay in the pending Desert Ranch Management LLC and Desert Ranch LLLP bankruptcy proceedings.

2. The Court will conduct a status conference to address with counsel those issues remaining for resolution in this matter and to establish a schedule for submission of such remaining issues to be set by further order of Court to be entered following lifting of the automatic stay in the pending Desert Ranch


¹³ Doc. 90.

¹⁴ Doc. 88.

¹⁵ Doc. 97.

Management LLC and Desert Ranch LLLP bankruptcy proceedings.

DATED this 10th day of January, 2017.



SAM E. HADDON
United States District Judge